

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. Furthermore, Bursa Malaysia Securities Berhad has not perused Part A of this Circular prior to its issuance as it fall under the category of an Exempt Circular.



BONIA CORPORATION BERHAD

(Company No.: 223934-T)

(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE**

**PART A: PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO
ENABLE BONIA CORPORATION BERHAD TO PURCHASE UP
TO 10% OF ITS ISSUED AND PAID-UP SHARE CAPITAL**

**PART B: PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE**

The resolutions pertaining to the above proposals will be tabled under Special Business at the Twenty-Fourth Annual General Meeting ("24th AGM") of Bonia Corporation Berhad ("Company"). The Notice of the 24th AGM together with the Form of Proxy are set out in the Company's Annual Report 2015 which is despatched together with this Circular.

A member entitled to attend and vote at the Company's 24th AGM is entitled to appoint a proxy or proxies to attend, vote and speak on his behalf. If you wish to do so, kindly complete the Form of Proxy in accordance with the instructions therein and deposit it at the Company's Registered Office situated at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not later than 48 hours before the time fixed for convening the 24th AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Monday, 23 November 2015 at 11.00 a.m.

Date and time of the 24th AGM : Wednesday, 25 November 2015 at 11.00 a.m.

Venue of 24th AGM : Perdana Ballroom (First Floor)
Bukit Jalil Golf & Country Resort
Jalan Jalil Perkasa 3, Bukit Jalil
57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia

This Circular is dated 29 October 2015

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“AGM”	:	Annual general meeting of Bonia
“ARC”	:	The Audit & Risk Management Committee of Bonia
“Board”	:	The Board of Directors of Bonia
“Bonia” or “Company”	:	Bonia Corporation Berhad (223934-T)
“Bonia Group” or “Group”	:	Bonia Corporation Berhad and its subsidiaries
“Bonia Shares” or “Shares”	:	Ordinary shares of RM0.50 each in Bonia prior to the completion of the Proposals on 23 July 2014; and/or Ordinary shares of RM0.25 each in Bonia after the completion of the Proposals on 23 July 2014 For the purpose of this definition, “Proposals” has the meaning given in the Company’s Circular to Shareholders dated 13 June 2014
“BMSB”	:	Bursa Malaysia Securities Berhad
“Code”	:	The Malaysian Code on Take-Overs and Mergers 2010
“Director”	:	Has the meaning given in Section 4 of the Companies Act, 1965 and Section 2(1) of the Capital Markets and Services Act 2007; and for the purpose of the Proposed RRPT Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction (as defined in Chapter 10 of the MMLR) were agreed upon, a Director of Bonia or any other company which is its subsidiary or holding company or a chief executive officer of Bonia, its subsidiary or holding company
“Family”	:	In relation to a person, means such person who falls under any one of the following categories: (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in (c) and (d)
“FYE”	:	Financial year ended/ending, as the case may be
“IDR”	:	Indonesian Rupiah
“LPD”	:	30 September 2015, being the latest practicable date prior to printing of this Circular

- “Major Shareholder” : A person who has an interest or interests in one or more voting shares in Bonia and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in Bonia; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in Bonia where such person is the largest shareholder of Bonia
- For the purpose of this definition, “interest in shares” has the meaning given in Section 6A of the Companies Act, 1965
For the purpose of the Proposed RRPT Mandate, Major Shareholder includes any person who is or was within the preceding 6 months of the date of which the terms of the transaction (as defined in Chapter 10 of the MMLR) were agreed upon, a major shareholder of Bonia or any other companies which is its subsidiary or holding company
- “MMLR” : The Main Market Listing Requirements of BMSB, including the practice notes or circulars as may be issued thereunder from time to time
- “Person connected” : In relation to a Director or Major Shareholder (“said Person”), who falls under any one of the following categories:
- (a) A family member of the said Person, who falls within any one of the following categories:
 - (i) spouse;
 - (ii) parent;
 - (iii) child including an adopted child and step-child;
 - (iv) brother or sister; and
 - (v) spouse of the person referred to in (iii) and (iv)
 - (b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
 - (c) A partner of the said Person, or a partner of a person connected with that said Person;
 - (d) A person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) A person in accordance with whose directions, instructions or wishes the said Person is accustomed or under an obligation, whether formal or informal, to act;
 - (f) A body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (g) A body corporate or its directors whose directions, instructions or wishes the said Person is accustomed or under an obligation, whether formal or informal, to act;
 - (h) A body corporate in which the said Person, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
 - (i) A body corporate which is a related corporation.

“Purchased Shares”	:	Shares purchased or to be purchased pursuant to the Proposed Share Buy-Back as defined in Part A of this Circular
“Related Party”	:	A Director, Major Shareholder and/or Person connected with them as defined under the MMLR
“RRPT”	:	Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of the Company or its subsidiaries
“SGD”	:	Singapore Dollar
“Substantial Shareholder”	:	Has the meaning given in Section 69D of the Companies Act, 1965; and for the purpose of this Circular, Substantial shareholder is a person who has an interest either direct or indirect in the shares of the Company in more than 5% of the aggregate amount of the voting shares in the Company
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“24th AGM”	:	Twenty-Fourth Annual General Meeting of Bonia
“23rd AGM”	:	Twenty-Third Annual General Meeting of Bonia

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “you” in this Circular are to the shareholders of Bonia.

A reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders, guidelines, practice notes, circulars or other statutory instruments made pursuant thereto.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancies/inconsistencies between the figures shown in this Circular and figures announced by Bonia, such as quarterly reports and annual reports, are due to rounding.

PART A:

<u>Section</u>	<u>Page</u>
1. INTRODUCTION	2
2. DETAILS OF THE PROPOSED SHARE BUY-BACK	3
3. FUNDING	3
4. TREATMENT OF THE SHARES PURCHASED	3
5. VALIDITY OF THE PROPOSED SHARE BUY-BACK	4
6. RATIONALE FOR THE PROPOSED SHARE BUY-BACK	4
7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK	4
8. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK	4
9. PUBLIC SHAREHOLDING SPREAD	6
10. IMPLICATIONS RELATING TO THE CODE	7
11. PURCHASE, RESALE OR CANCELLATION OF TREASURY SHARES	7
12. HISTORICAL PRICES OF BONIA SHARES	7
13. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED	8
14. CONDITIONS TO THE PROPOSED SHARE BUY-BACK	8
15. DIRECTORS' RECOMMENDATION	8
16. 24th AGM	8
17. FURTHER INFORMATION	8

PART B:

<u>Section</u>	<u>Page</u>
1. INTRODUCTION	10
2. PROVISIONS UNDER THE MMLR	11
3. DETAILS OF THE RRPT CONTEMPLATED UNDER THE PROPOSED RRPT MANDATE	11
4. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED	15
5. RATIONALE FOR THE PROPOSED RRPT MANDATE	16
6. REVIEW AND DISCLOSURE PROCEDURES FOR RRPT	16
7. STATEMENT BY ARC	17
8. EFFECTS OF THE PROPOSED RRPT MANDATE	17
9. CONDITIONS TO THE PROPOSED RRPT MANDATE	17
10. DIRECTORS' RECOMMENDATION	17
11. 24th AGM	18
12. FURTHER INFORMATION	18

APPENDICES

<u>Section</u>	<u>Page</u>
I. FURTHER INFORMATION	20
II. EXTRACT OF RESOLUTIONS	23

PART A: LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO ENABLE BONIA CORPORATION BERHAD TO PURCHASE UP TO 10% OF ITS ISSUED AND PAID-UP SHARE CAPITAL



BONIA CORPORATION BERHAD
(Company No.: 223934-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office
Lot 10, The Highway Centre,
Jalan 51/205, 46050 Petaling Jaya
Selangor, Malaysia

29 October 2015

Board of Directors:

Chiang Sang Sem (*Group Executive Chairman cum Chief Executive Officer*)

Chiang Fong Yee (*Alternate Director to Chiang Sang Sem*)

Datuk Chiang Heng Kieng (*Group Managing Director*)

Chiang Sang Bon (*Group Executive Director*)

Chiang Fong Tat (*Group Executive Director*)

Dato' Sri Chiang Fong Seng (*Group Executive Director*)

Chong Chin Look (*Group Finance Director*)

Datuk Ng Peng Hong @ Ng Peng Hay (*Senior Independent Non-Executive Director*)

Dato' Shahbudin Bin Imam Mohamad (*Independent Non-Executive Director*)

Chong Sai Sin (*Independent Non-Executive Director*)

To: The Shareholders of Bonia Corporation Berhad

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE
TO ENABLE BONIA CORPORATION BERHAD TO PURCHASE UP TO 10%
OF ITS ISSUED AND PAID-UP SHARE CAPITAL ("Proposed Share Buy-Back")**

1. INTRODUCTION

The Company had on 25 August 2015 announced to BMSB that Bonia proposes to seek its shareholders' approval for the Proposed Share Buy-Back at the forthcoming 24th AGM to renew the authorisation for share buy-backs granted by its shareholders in the 23rd AGM of the Company held on 20 November 2014.

The purpose of Part A of this Circular is to provide you with details of the Proposed Share Buy-Back and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 24th AGM.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENT OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY-BACK.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back involves Bonia purchasing not more than 10% of its own shares through the stock exchange of BMSB in accordance with Section 67A of the Companies Act, 1965.

Pursuant to Chapter 12 of the MMLR:

- (1) the maximum number of Bonia Shares that may potentially buy-back by the Company under the Proposed Share Buy-Back (including treasury shares, if any) is 80,628,740 Bonia Shares representing 10% of the total issued and paid-up share capital of the Company of RM201,571,850 comprising 806,287,400 ordinary shares of RM0.25 each as at the LPD.
- (2) the Company must ensure that all the purchases of its own shares under the Proposed Share Buy-Back are made wholly out of Bonia's (not out of the Group) retained profits and/or share premium account. For reference purposes, the Company's retained profits and/or share premium account stand at RM9,156,000 and Nil respectively in the latest audited financial statements of the Company for the FYE 30 June 2015.
- (3) the Company may only purchase its own shares under the Proposed Share Buy-Back at a price which is not more than 15% above the weighted average market price for the shares for the 5 market days immediately before the purchase.
- (4) In the case of a resale of the Purchased Shares that are held as treasury shares, Bonia may only resell such treasury shares on BMSB at:-
 - (i) a price which is not less than the weighted average market price for the shares for the 5 market days immediately prior to the resale; or
 - (ii) a discounted price of not more than 5% to the weighted average market price for the shares for the 5 market days immediately before to the resale provided that:-
 - (a) the resale takes place no earlier than 30 days from the date of purchase; and
 - (b) the resale price is not less than the cost of purchase of the Shares being resold.

Accordingly, the Proposed Share Buy-Back will only be implemented after the Board's careful evaluation of the prevailing market conditions, the availability of the financial resources and the pricing parameters for such purchases as governed by the MMLR.

3. FUNDING

The Proposed Share Buy-Back will be financed through internally generated funds and/or external borrowings that are backed by an equivalent amount of the retained profits and/or share premium of Bonia as disclosed in Section 2 above, the proportion of which will depend on the quantum of purchase consideration as well as the availability of the internally generated funds and/or external borrowings at the time of purchase(s).

In the event Bonia decides to utilise external borrowings to finance the Proposed Share Buy-Back, the Company will ensure that it has sufficient financial capability to repay the external borrowings and that the external borrowings will not have any material impact on the financial position of the Company.

4. TREATMENT OF THE SHARES PURCHASED

The Bonia Shares purchased by the Company will be dealt with by the Board in accordance with Section 67A of the Companies Act, 1965 in the following manner:-

- (1) to cancel the Shares so purchased;
- (2) to retain the Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or resell the Shares so purchased on BMSB in accordance with the relevant rules of BMSB; or
- (3) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

While the Shares so purchased are held as treasury shares, the rights attached to the Purchased Shares in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purposes including, without limitation to the generality of the provisions of any law or requirements of the Articles of Association of the Company or the listing rules of a stock exchange on substantial shareholdings, take-over, notices, the requisitioning of meetings, the quorum and the result of a vote on a resolution at a meeting of shareholders.

5. VALIDITY OF THE PROPOSED SHARE BUY-BACK

The authorisation for the Proposed Share Buy-Back, if obtained, shall continue to be in force until:-

- (1) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;
- (2) the expiration of the period within which the next AGM after that date is required by law to be held;
or
- (3) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;
whichever occurs first.

However, such authorisation does not impose an obligation on the Company to purchase its own shares within the abovementioned time period.

6. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable the Company to utilise its financial resources which are not immediately required for use, to purchase its own shares. It may help to stabilise the supply and demand and price of Bonia Shares traded on BMSB, thereby supporting the fundamental value of the Bonia Shares.

It is expected to increase the earnings per share of the Company in the event the purchased Bonia Shares are cancelled, which in turn is expected to benefit the shareholders of the Company.

Bonia will also have the opportunity to distribute the treasury shares as dividends, thus benefiting its shareholders. In addition, the treasury shares may also be resold on BMSB at a price higher than the purchase price, thereby realising a potential gain for the Company.

7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back will provide the Company with the opportunity to take pre-emptive measures if need be, to stabilise the supply and demand of Bonia Shares in the open market, thereby allowing the price of Bonia Shares to better reflect its fundamental value. The maintenance of the share price is important in order to maintain investors' confidence to facilitate the Company's future fund raising exercise via issues of equity shares, should there be any such exercises in future. In addition, the Proposed Share Buy-Back will also provide an opportunity for Bonia to make a gain when the Company resell the purchased Bonia Shares for cash when market conditions improve.

The Proposed Share Buy-Back, if implemented, will however, reduce the financial resources of Bonia Group and may result in the Company foregoing any investment opportunities arising in the future or any interest income that may be derived from depositing such funds with interest bearing instruments.

In view thereof, the Proposed Share Buy-Back will be implemented by the Board only after careful consideration of the financial resources of Bonia Group as well as the resultant impact on Bonia Group and the shareholders of the Company.

8. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

8.1 Issued and Paid-up Share Capital

The Proposed Share Buy-Back will have no effect on the issued and paid-up share capital of Bonia if all Shares purchased by the Company are held as treasury shares and/or distributed as dividends. However, if the Board decided to cancel the Bonia Shares held in treasury, the issued and paid-up share capital of the Company will be reduced by the number of Shares so cancelled.

In the event that the maximum number of shares representing 10% of the issued and paid-up share capital are purchased in full and cancelled, the pro forma effect on the Company's issued and paid-up capital is illustrated below:-

	No. of Bonia Shares	RM
Existing issued and paid-up share capital as at the LPD	806,287,400	201,571,850
Less: Maximum number of Bonia Shares that may be purchased and cancelled under the Proposed Share Buy-Back	(80,628,740)	(20,157,185)
Resultant issued and paid-up share capital	<u>725,658,660</u>	<u>181,414,665</u>

8.2 *Net Assets ("NA")*

The effect of the Proposed Share Buy-Back on the NA per share of Bonia Group will depend on the quantity and purchase price of the Bonia Shares so purchased, the effective funding cost thereof as well as the Board's decision whether to retain the Purchased Shares as treasury shares or to resell them on BMSB.

If the Purchased Shares are retained as treasury shares, the effect of the Proposed Share Buy-Back on the NA of the Bonia Group would be as follows:

- (1) The NA would decrease by the quantum of the cost of the treasury shares due to the requirement that the treasury shares were held at cost and be offset against equity;
- (2) the NA would increase if the Company realises a gain from the resale of the treasury shares and vice versa;
- (3) the NA would decrease by the quantum of the cost of the treasury shares if the treasury shares were distributed as share dividends; and
- (4) the NA per share would decrease if the purchase price exceeds the audited NA per share of the Bonia Group at the time of the purchase and conversely the Proposed Share Buy-Back will increase the NA per share of the Bonia Group if the purchase price is less than the audited NA per share of the Bonia Group at the time of purchase.

8.3 *Working Capital*

The Proposed Share Buy-Back, as and when implemented, will reduce the working capital of the Bonia Group, the quantum of which depends on the quantity and purchase price of the Bonia Shares so purchased and the effective funding cost thereof.

The working capital of the Company will increase upon the resale of its treasury shares, the quantum being dependent on the actual selling price of the treasury shares and the quantity of the treasury shares resold.

8.4 *Earnings*

The effect of the Proposed Share Buy-Back on the Company's consolidated earnings per share ("EPS") is dependent on the quantity and purchase price of the Bonia Shares so purchased and the effective funding cost thereof.

Where the Purchased Shares are held as treasury shares and/or cancelled subsequently, the EPS of the Bonia Group may increase as a result of the corresponding reduction in the issued and paid-up share capital of the Company.

8.5 *Dividends*

Barring any unforeseen circumstances, the Board does not expect the Proposed Share Buy-Back to materially affect any declaration or recommendation of dividends by the Company. The actual dividend rate to be declared and paid will depend on, inter alia, the actual results of Bonia Group, its cash reserves, capital commitment and future funding requirements. Nonetheless, if the Shares so purchased are retained as treasury shares, the dividend rate will also be increased with the suspension of the rights attaching to the treasury shares as to dividend entitlement. Moreover, the treasury shares so purchased may be distributed as dividends to shareholders of the Company if the Company so decides.

8.6 Shareholdings of Directors and Substantial Shareholders

Shares bought back by Bonia under the Proposed Share Buy-Back that are retained as treasury shares will result in proportionate increase in the percentage shareholdings of the Directors and Substantial Shareholders in Bonia.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company as at the LPD and assuming the Proposed Share Buy-Back is implemented in full and that the Purchased Shares are from the shareholders other than the Directors and Substantial Shareholders in Bonia, the effect of the Proposed Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders of Bonia is illustrated below:-

	Before Proposed Share Buy-Back				After Proposed Share Buy-Back				
	Direct		Indirect		Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
<i>Directors:</i>									
Chiang Sang Sem	3,912,400	0.49	361,818,704	44.87 ⁽¹⁾	3,912,400	0.54	361,818,704	49.86 ⁽¹⁾	
Chiang Fong Yee (Alternate Director to Chiang Sang Sem)	4,552,800	0.56	40,000	0.00 ^{(2) & (4)}	4,552,800	0.63	40,000	0.01 ⁽²⁾	
Datuk Chiang Heng Kieng	-	-	176,000	0.02 ⁽²⁾	-	-	176,000	0.02 ⁽²⁾	
Chiang Sang Bon	1,550,000	0.19	2,036,000	0.25 ⁽³⁾	1,550,000	0.21	2,036,000	0.28 ⁽³⁾	
Chiang Fong Tat	2,069,400	0.26	100,000	0.01 ⁽²⁾	2,069,400	0.29	100,000	0.01 ⁽²⁾	
Dato' Sri Chiang Fong Seng	1,530,400	0.19	-	-	1,530,400	0.21	-	-	
Chong Chin Look	-	-	-	-	-	-	-	-	
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-	-	-	-	-	
Dato' Shahbudin Bin Imam Mohamad	-	-	-	-	-	-	-	-	
Chong Sai Sin	-	-	-	-	-	-	-	-	
<i>Substantial Shareholders:</i>									
Bonia Holdings Sdn Bhd	199,987,968	24.80	-	-	199,987,968	27.56	-	-	
Freeway Team Sdn Bhd	111,041,200	13.77	-	-	111,041,200	15.30	-	-	
Milingtonia Limited	90,189,040	11.19	-	-	90,189,040	12.43	-	-	
Albizia ASEAN Opportunities Fund	64,180,000	7.96	-	-	64,180,000	8.84	-	-	
Chiang Sang Sem	3,912,400	0.49	361,818,704	44.87 ⁽¹⁾	3,912,400	0.54	361,818,704	49.86 ⁽¹⁾	

Notes:

- (1) Deemed interested by virtue of: (i) shares held through his substantial shareholdings in Bonia Holdings Sdn Bhd, Freeway Team Sdn Bhd and Kontrak Kosmomaz Sdn Bhd, (ii) shares held in trust by Able Wealth Assets Ltd (the shareholder of Able Wealth Assets Ltd is HSBC International Trustee Ltd, the trustee of a trust, the beneficiaries of which are Chiang Sang Sem and his family members), and (iii) his spouse and children's direct interest in Bonia
- (2) Deemed interested by virtue of his spouse's direct interest in Bonia
- (3) Deemed interested by virtue of his spouse and children's direct interest in Bonia
- (4) Negligible

9. PUBLIC SHAREHOLDING SPREAD

The Board will take cognizance of the requirements of the MMLR that any purchase of Bonia Shares by the Company must not result in the public shareholding spread of Bonia falling below 25% of its issued and paid-up share capital (excluding treasury shares, if any).

The public shareholding spread of the Company based on the Record of Depositors as at the LPD was approximately 41.72%. Assuming the Company implements the Proposed Share Buy-Back in full, and on the basis that all the purchases are from the market from shareholders of Bonia who are deemed public, held as treasury shares and the shareholdings of the Company's Directors, Substantial Shareholders and their Persons connected remained unchanged as at the LPD, the pro forma public shareholding spread of Bonia will decrease to approximately 35.24%.

10. IMPLICATIONS RELATING TO THE CODE

Pursuant to the Code, where a person and/or his persons acting in concert obtains control in a company, i.e. the stake in a company is increased beyond 33%, or if his/their existing shareholding is between 33% to 50% and increases by more than 2% in any 6 months period, the affected person and/or his persons acting in concert will be obliged to undertake a mandatory offer for the remainder shares not already held by him/them. However, a waiver to undertake a mandatory offer may be granted by the Securities Commission under the Code, subject to the affected person and/or his persons acting in concert complying with certain conditions specified in Paragraph 24 of the Practice Note 9 of the Code.

In the event the Proposed Share Buy-Back is carried out in full and resulting the equity interest of one of the Company's Substantial Shareholder namely Chiang Sang Sem and/or his persons acting in concert to trigger the Code, he and/or his persons acting in concert may apply to Securities Commission for the waiver to undertake a mandatory offer for the remainder Bonia Shares not held by him/them collectively.

11. PURCHASE, RESALE OR CANCELLATION OF TREASURY SHARES

The following are the details of the shares purchased, resold and/or cancelled during the FYE 30 June 2015:-

Monthly Breakdown	Par value per share (RM)	No. of shares purchased, (resold) and/or (cancelled)	Purchase/resale price per share (RM)		Average price per share (RM)	Total consideration ⁽¹⁾ (RM)
			Lowest	Highest		
Total purchased/treasury shares held as at 1 July 2014	0.50	507,000	N/A	N/A	N/A	1,698,210.00
July 2014 ⁽²⁾	0.50	(507,000)	5.30	5.50	5.37	2,721,873.00
Total treasury shares held as at the LPD	0.25	Nil	N/A	N/A	N/A	Nil

Notes:

- (1) excluding transaction costs
- (2) All the 507,000 shares purchased by the Company and retained as treasury shares during the FYE 30 June 2014 were resold to the market in July 2014

The Company has not made any purchase, resale or cancellation of its own shares in the previous 12 months preceding the LPD under the existing mandate.

12. HISTORICAL PRICES OF BONIA SHARES

The monthly highest and lowest prices of Bonia Shares as traded on BMSB for the past 12 months are as follows:-

Year	Month	Par value per share (RM)	Highest (RM)	Lowest (RM)
2014	October	0.25	1.140	1.010
	November	0.25	1.130	0.870
	December	0.25	0.995	0.815
2015	January	0.25	1.030	0.930
	February	0.25	1.020	0.950
	March	0.25	1.130	0.950
	April	0.25	1.130	1.020
	May	0.25	1.110	1.010
	June	0.25	1.010	0.950
	July	0.25	0.970	0.920
	August	0.25	0.930	0.690
	September	0.25	0.785	0.690

The last transacted price of Bonia Shares on the LPD was RM0.730.

Source: information is available in www.bonia.com, and was provided by ShareInvestor Pte Ltd, an Authorised Information Vendor subscribing to Bursa Malaysia's Real Time Market Information as stated in <http://www.bursamalaysia.com/market/products-services/information-products/information-vendors/>

13. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-Back, none of the Directors and to the best knowledge of the Directors, none of the Substantial Shareholders and/or their Persons connected has any interest, direct or indirect in the Proposed Share Buy-Back or resale of treasury shares.

14. CONDITIONS TO THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is conditional upon the approval of the shareholders of Bonia at the forthcoming 24th AGM.

15. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company and its shareholders.

Accordingly, the Directors recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 24th AGM to give effect to the proposal.

16. 24th AGM

The 24th AGM of the Company will be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Wednesday, 25 November 2015 at 11.00 a.m. and any adjournment thereof for the purpose of, inter alia, considering and, if thought fit, approving the ordinary resolution on the Proposed Share Buy-Back as set out in the Notice of 24th AGM. An extract of the said resolution is enclosed as Appendix II of this Circular.

17. FURTHER INFORMATION

Shareholders of the Company are advised to refer to the appendices for further information.

Yours truly
For and on behalf of the Board of
BONIA CORPORATION BERHAD

CHIANG SANG SEM
Group Executive Chairman

**PART B: LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



BONIA CORPORATION BERHAD
(Company No.: 223934-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office
Lot 10, The Highway Centre,
Jalan 51/205, 46050 Petaling Jaya
Selangor, Malaysia

29 October 2015

Board of Directors:

Chiang Sang Sem (*Group Executive Chairman cum Chief Executive Officer*)

Chiang Fong Yee (*Alternate Director to Chiang Sang Sem*)

Datuk Chiang Heng Kieng (*Group Managing Director*)

Chiang Sang Bon (*Group Executive Director*)

Chiang Fong Tat (*Group Executive Director*)

Dato' Sri Chiang Fong Seng (*Group Executive Director*)

Chong Chin Look (*Group Finance Director*)

Datuk Ng Peng Hong @ Ng Peng Hay (*Senior Independent Non-Executive Director*)

Dato' Shahbudin Bin Imam Mohamad (*Independent Non-Executive Director*)

Chong Sai Sin (*Independent Non-Executive Director*)

To: The Shareholders of Bonia Corporation Berhad

Dear Sir/Madam,

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed RRPT Mandate")**

1. INTRODUCTION

At the 23rd AGM of Bonia held on 20 November 2014, the Company had obtained its shareholders' mandate for the RRPT as detailed in Part C of the Company's Circular to Shareholders dated 29 October 2014. In accordance with Chapter 10 of the MMLR, the existing mandate will expire at the conclusion of the forthcoming 24th AGM of the Company.

In this connection, the Company had on 25 August 2015 announced to BMSB that Bonia proposes to seek its shareholders' approval for the Proposed RRPT Mandate to enable Bonia Group to carry out future RRPT that are necessary for day-to-day operations of the Company and/or its subsidiaries.

The purpose of Part B of this Circular is to provide you with details of the Proposed RRPT Mandate and to seek your approval for the resolution pertaining to the Proposed RRPT Mandate to be tabled at the forthcoming 24th AGM.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENT OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RRPT MANDATE.

2. PROVISIONS UNDER THE MMLR

Pursuant to Paragraph 10.09(2), Chapter 10 of the MMLR, Bonia may seek a mandate from its shareholders for RRPT subject to the following:-

- (1) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (2) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed in Paragraph 10.09(1)(a), Chapter 10 of the MMLR as follow:-
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1.0 million or more; or
 - (ii) the percentage ratio of such aggregated transactions is 1% or more, whichever is the higher.
- (3) the Company's circular to shareholders for the shareholders' mandate shall include the information as may be prescribed by BMSB. The draft circular must be submitted to BMSB together with a checklist showing compliance with such information;
- (4) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with such director or major shareholder, must not vote on the resolution in respect of the RRPT; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution in respect of the RRPT. An interested director or interested major shareholder must also ensure that persons connected with him abstain from voting on the resolution in respect of the RRPT; and
- (5) the Company immediately announces to BMSB when the actual value of the RRPT entered into by the Bonia Group, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by BMSB in its announcement.

Where the Company has procured a shareholders' mandate pursuant to Paragraph 10.09(2) of the MMLR, the provisions of Paragraph 10.08 will not apply.

3. DETAILS OF THE RRPT CONTEMPLATED UNDER THE PROPOSED RRPT MANDATE

3.1 Information on Bonia Group

The activities of Bonia are primarily an investment holding and management company. Its subsidiaries are principally involved in designing, manufacturing, promoting, marketing, import and export of fashionable leather goods, accessories, apparel, ladies and men's footwear, businesses relating to property investment, management and development as well as investment holding.

[THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

The transacting subsidiaries of Bonia that involved in the RRPT are set out below:-

No.	Transacting subsidiary	Status within Bonia Group	Equity interest held (%)	Principal activities
1.	Active World Pte Ltd (“AW”)	Direct subsidiary	100	Wholesaling and retailing of fashionable leather goods and apparels
2.	Daily Frontier Sdn Bhd (“DF”)	Direct subsidiary	100	Marketing, distribution and export of fashionable goods and accessories
3.	CB Marketing Sdn Bhd (“CBM”)	Direct subsidiary	100	Designing, promoting and marketing of fashionable leather goods
4.	Banyan Sutera Sdn Bhd (“BS”)	Direct subsidiary	100	Marketing and distribution of fashionable goods
5.	Vista Assets Sdn Bhd (“VA”)	Direct subsidiary	100	Marketing and distribution of fashionable goods
6.	De Marts Marketing Sdn Bhd (“DMM”)	Direct subsidiary	100	Designing, promoting and marketing of fashionable ladies’ footwear
7.	Dominion Directions Sdn Bhd (“DD”)	Direct subsidiary	100	Marketing and distribution of men’s apparels and accessories
8.	Eclat World Sdn Bhd (“EW”)	Direct subsidiary	100	Designing, promoting and marketing of fashionable men’s footwear
9.	CRF Marketing Sdn Bhd (“CBF”)	Indirect subsidiary	100	Designing, promoting and marketing of fashionable ladies’ footwear
10.	CRV Sdn Bhd (“CRV”)	Indirect subsidiary	100	Marketing and distribution of fashionable goods and accessories
11.	SB International Sdn Bhd (“SBI”)	Indirect subsidiary	100	Marketing and distribution of fashionable goods and accessories
12.	SBA Marketing Sdn Bhd (“SBA”)	Indirect subsidiary	100	Marketing and distribution of fashionable goods and accessories
13.	SBFW Marketing Sdn Bhd (“SBFW”)	Indirect subsidiary	100	Designing, promoting and marketing of fashionable ladies’ footwear
14.	Galaxy Hallmark Sdn Bhd (“GH”)	Indirect subsidiary	100	Marketing and distribution of men’s apparels and accessories
15.	SB Directions Sdn Bhd (“SBD”)	Indirect subsidiary	100	Marketing and distribution of fashionable accessories
16.	Jetbest Enterprise Pte Ltd (“JE”)	Indirect subsidiary	100	Wholesaling, retailing, importing and exporting of leather goods and accessories
17.	Daily Frontier (Vietnam) Company Limited (“DFV”)	Indirect subsidiary	100	Wholesaling, retailing, importing and exporting of fashionable products, accessories and cosmetics
18.	PT Banyan Cemerlang (“PTBC”)	Indirect subsidiary	100	Wholesaling of fashionable goods and accessories

It is envisaged that in the normal course of Bonia Group’s businesses, RRPT between the transacting subsidiaries within the Group and the Related Parties are necessary to occur for their day-to-day operations.

3.2 Class, Nature and Estimated Aggregate Value of the RRPT

The details of the class, nature and estimated aggregate value of the RRPT of the Group are as follows:-

No.	Transacting subsidiary within Bonia Group involved in RRPT	Transacting Related Party	Interested directors, major shareholders and/or persons connected with them ⁽¹⁾	Existing mandate		Proposed RRPT Mandate
				Estimated aggregate value as disclosed in the preceding year's Circular to Shareholders dated 29.10.2014	Actual value transacted from 20.11.2014 (being the date the existing mandate was obtained) until the LPD ⁽³⁾	Estimated aggregate value from the forthcoming 24th AGM to the next AGM ⁽⁴⁾
				RM ('000)	RM ('000)	RM ('000)
1.	RRPT as disclosed in the Company's Circular to Shareholders dated 29.10.2014					
	AW, DF, CBM, BS, VA, DMM, DD, EW, CRF, CRV, SBI, SBA, SBFW, GH, and SBD	Bonia International Holdings Pte Ltd ("BIHP")	Chiang Sang Sem and Persons connected with him (including their Family) as mentioned in the notes of Sections 3.2 and 4	4,500	2,394	2,000
New RRPT						
	DFV, and PTBC	BIHP	Chiang Sang Sem and Persons connected with him (including their Family) as mentioned in the notes of Sections 3.2 and 4	N/A	N/A	2,600
Nature of RRPT						
<p><i>Payment of Bonia, Sembonia, Carlo Rino and CR2 trademarks royalties by the transacting subsidiaries to BIHP - BIHP is the Licensor for Bonia, Sembonia, Carlo Rino and CR2 trademarks for territories outside Malaysia and Singapore. Sales by the transacting subsidiaries derived from territories outside Malaysia and Singapore are subject to royalties' payment to the Licensor. The royalties are calculated based on percentage of the sales derived from the respective territories as per the licensing agreements. The Licensor will only raise debit notes for the royalties' payable by the transacting subsidiaries upon confirmation of sales by the respective subsidiaries.</i></p>						
No.	Transacting subsidiary within Bonia Group involved in RRPT	Transacting Related Party	Interested directors, major shareholders and/or persons connected with them ⁽²⁾	Existing mandate		Proposed RRPT Mandate
				Estimated aggregate value as disclosed in the preceding year's Circular to Shareholders dated 29.10.2014	Actual value transacted from 20.11.2014 (being the date the existing mandate was obtained) until the LPD ⁽³⁾	Estimated aggregate value from the forthcoming 24th AGM to the next AGM ⁽⁴⁾
				RM ('000)	RM ('000)	RM ('000)
2.	AW, and JE	Long Bow Manufacturing (S) Pte Ltd ("LMS")	Chiang Sang Sem and Persons connected with him (including their Family) as mentioned in the notes of Sections 3.2 and 4 Chiang Boon Tian (a Director of Bonia's subsidiaries) and Persons connected with him (including their Family) as mentioned in the notes of Sections 3.2 and 4	1,700	1,457	2,000
Nature of RRPT						
<p><i>Payment of office rental by the transacting subsidiaries to LMS - AW and JE are renting an office space of a 2-storey industrial building bearing postal address of 89, Defu Lane 10, Giambolgna House, Singapore 539220 from LMS as its corporate office, showroom and warehouse in Singapore. Thus, there is a payment of office rental for renting of the premises, and such payment is on monthly basis.</i></p>						
Total				6,200	3,851	6,600

Notes:-

- (1) Chiang Sang Sem, the Executive Chairman cum Chief Executive Officer of the Company, is a Major Shareholder of Bonia by virtue of his direct and indirect interests in the Company as detailed in Item 4 of Part B of this Circular. Accordingly, he is deemed interested in the shares of Bonia's subsidiaries to the extent Bonia has an interest. He is also holding directorships in several subsidiaries of Bonia (including some of the transacting subsidiaries).

Chiang Sang Sem is also a Director cum sole shareholder of BIHP.

Dato' Sri Chiang Fong Seng, a son of Chiang Sang Sem, is an Executive Director of the Company, and a Director of BIHP. He is also holding directorships in several subsidiaries of Bonia (including some of the transacting subsidiaries).

Datuk Chiang Heng Kieng, Chiang Sang Bon, Chiang Fong Yee and Chiang Fong Tat, being the Directors of Bonia and several of its subsidiaries, are Persons connected to Chiang Sang Sem and Dato' Sri Chiang Fong Seng by virtue of their family relationship.

- (2) Chiang Sang Sem, the Executive Chairman cum Chief Executive Officer of the Company, is a Major Shareholder of Bonia by virtue of his direct and indirect interests in the Company as detailed in Item 4 of Part B of this Circular. Accordingly, he is deemed interested in the shares of Bonia's subsidiaries to the extent Bonia has an interest. He is also holding directorships in several subsidiaries of Bonia (including some of the transacting subsidiaries).

Chiang Sang Sem is also a Director cum Major Shareholder holding 83.92% equity interest in LMS.

Chiang Boon Tian, a brother of Chiang Sang Sem, holding directorships in AW, JE and another subsidiary of Bonia, is a Director cum Major Shareholder holding 13.58% equity interest in LMS.

Datuk Chiang Heng Kieng, Chiang Sang Bon, Chiang Fong Yee, Chiang Fong Tat and Dato' Sri Chiang Fong Seng, being the Directors of Bonia and several of its subsidiaries, are Persons connected to Chiang Sang Sem by virtue of their family relationship.

Chiang Sang Sem, Datuk Chiang Heng Kieng and Chiang Sang Bon, being the Directors of Bonia and several of its subsidiaries, are Persons connected to Chiang Boon Tian by virtue of their family relationship.

- (3) As at the LPD, the actual values transacted did not exceed the estimated aggregate values as disclosed in the preceding year's Circular to Shareholders dated 29 October 2014 by 10% or more.

- (4) The values are estimated based on information available at the point of estimation and taking into account the management's forecast on transaction values which have been undertaken and anticipated.

Due to the nature of the transactions, the actual values of the RRPT may vary from the estimated aggregate values as disclosed above.

Disclosure will be made in the next Annual Report of the Company of the actual aggregate value of transactions contemplated under the Proposed RRPT Mandate during the financial year.

3.3 *Validity Period of the Proposed RRPT Mandate*

The Proposed RRPT Mandate, if approved, is subject to annual renewal and will only continue to be in force until:-

- (1) the conclusion of the next AGM of the Company following the general meeting at which the Proposed RRPT Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (2) the expiration of the period within which the next AGM after that date is required to be held pursuant Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant Section 143(2) of the Companies Act, 1965; or
- (3) revoked or varied by resolution passed by the shareholders of the Company in a general meeting; whichever is the earlier.

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

Save as disclosed below, none of the Directors and to the best of the knowledge, information and belief of the Directors, none of the Major Shareholders and/or their Persons connected has any interest, direct or indirect, in the Proposed RRPT Mandate as at the LPD:-

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<i>Interested Directors of Bonia:</i>				
Chiang Sang Sem	3,912,400	0.49	361,818,704	44.87 ⁽¹⁾
Chiang Sang Bon	1,550,000	0.19	2,036,000	0.25 ⁽³⁾
Datuk Chiang Heng Kieng	-	-	176,000	0.02 ⁽²⁾
Chiang Fong Yee	4,552,800	0.56	40,000	0.00 ^{(2) & (4)}
Chiang Fong Tat	2,069,400	0.26	100,000	0.01 ⁽²⁾
Dato' Sri Chiang Fong Seng	1,530,400	0.19	-	-
<i>Interested Directors of Bonia's subsidiaries</i>				
Chiang Boon Tian	4,078,000	0.51	-	-
<i>Interested Major Shareholders of Bonia:</i>				
Chiang Sang Sem	3,912,400	0.49	361,818,704	44.87 ⁽¹⁾
<i>Interested Persons connected:</i>				
Chiang Sang Sem	3,912,400	0.49	361,818,704	44.87 ⁽¹⁾
Chong See Moi	2,163,200	0.27	3,912,400	0.49 ⁽²⁾
Yong Siew Moi	1,030,000	0.13	3,912,400	0.49 ⁽²⁾
Chiang Fong Yee	4,552,800	0.56	40,000	0.00 ^{(2) & (4)}
Lo Kin Yee	40,000	0.00 ⁽⁴⁾	4,552,800	0.56 ⁽²⁾
Chiang Fong Tat	2,069,400	0.26	100,000	0.01 ⁽²⁾
Tan Loo Yin	100,000	0.01	2,069,400	0.26 ⁽²⁾
Dato' Sri Chiang Fong Seng	1,530,400	0.19	-	-
Datin Sri Linda Chen May Yen	-	-	1,530,400	0.19 ⁽²⁾
Chiang May Ling	-	-	-	-
Chiang Fong Xiang	-	-	-	-
Tan Yee Siew Evelyn	-	-	-	-
Chiang Sang Bon	1,550,000	0.19	2,036,000	0.25 ⁽³⁾
Lau Yun Hwa	920,000	0.11	2,666,000	0.33 ⁽³⁾
Chiang Yen Fung	316,000	0.04	-	-
Wong Mun Keat	-	-	316,000	0.04 ⁽²⁾
Chiang Fong Chyen	800,000	0.10	-	-
Catherine Wan Suet Yee	-	-	800,000	0.10 ⁽²⁾
Chiang Yen Min	-	-	-	-
Chiang Bing	-	-	-	-
Tey Siew Tee	-	-	-	-
Chiang Sang Yau	-	-	-	-
Li Yok Lian	-	-	-	-
Chiang Heng Pang	5,101,600	0.63	70,000	0.01 ⁽³⁾
Chew Siew Moy	-	-	5,171,600	0.64 ⁽³⁾
Datuk Chiang Heng Kieng	-	-	176,000	0.02 ⁽²⁾
Datin Lim Teng Hong	176,000	0.02	-	-
Chiang Fong Wei	-	-	-	-
Chiang Boon Tian	4,078,000	0.51	-	-
Mok Gek Hiang	-	-	4,078,000	0.51 ⁽²⁾
Chiang Yun Yun	-	-	-	-
Chiang Yan Yan	-	-	-	-
Chiang Sang Ling	36,000	0.00 ⁽⁴⁾	-	-
Ng Cheng Gik	-	-	36,000	0.00 ^{(2) & (4)}
Bonia Holdings Sdn Bhd	199,987,968	24.80	-	-
Freeway Team Sdn Bhd	111,041,200	13.77	-	-
Kontrak Kosmomaz Sdn Bhd	22,333,736	2.77	-	-
Able Wealth Assets Ltd	17,110,000	2.12	-	-

Notes:

- (1) Deemed interested by virtue of: (i) shares held through his substantial shareholdings in Bonia Holdings Sdn Bhd, Freeway Team Sdn Bhd, and Kontrak Kosmomaz Sdn Bhd, (ii) shares held in trust by Able Wealth Assets Ltd (the shareholder of Able Wealth Assets Ltd is HSBC International Trustee Ltd, the trustee of a trust, the beneficiaries of which are Chiang Sang Sem and his family members), and (iii) his spouse and children's direct interest in Bonia
- (2) Deemed interested by virtue of his spouse's direct interest in Bonia
- (3) Deemed interested by virtue of his spouse and children's direct interest in Bonia
- (4) Negligible

The interested Director of Bonia, Chiang Sang Sem and his connected Directors namely Chiang Sang Bon, Datuk Chiang Heng Kieng, Chiang Fong Yee, Chiang Fong Tat and Dato' Sri Chiang Fong Seng, have abstained and will continue to abstain from all board deliberations and voting on the Proposed RRPT Mandate.

The interested Director of Bonia's subsidiaries, interested Directors and interested Major Shareholder of Bonia shall abstain from voting in respect of their direct and/or indirect shareholdings in Bonia (if any), and they have undertaken that they will also ensure that their Persons connected shall abstain from voting in respect of their direct and/or indirect shareholdings in Bonia (if any), on the resolution deliberating or approving the Proposed RRPT Mandate at the forthcoming 24th AGM.

5. RATIONALE FOR THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate will enable Bonia Group to carry out future RRPT necessary for the Group's day-to-day operations of the Group and to enhance the ability of the Group to pursue business opportunities, which are time sensitive in nature in a more expeditious manner, and will eliminate the necessity to make regular announcements and/or convene separate general meetings (if applicable) from time to time to seek shareholders' approval for such transactions. This will also substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, and improve administration efficiency and effectiveness.

6. REVIEW AND DISCLOSURE PROCEDURES FOR RRPT

The Company has established appropriate methods and procedures to govern the requirements of related party transactions and RRPT of the Group.

The following methods and procedures shall apply throughout the Group to monitor the RRPT:-

- (1) There is no other specific threshold for the approval of RRPT within the Bonia Group other than the threshold specified in Paragraph 10.09(1)(a), Part E, Chapter 10 of the MMLR. All RRPT shall be reviewed and approved by the ARC prior to tabling the same for approval by the Board of the Company.
- (2) The Board, assisted by the ARC, shall ensure that all RRPT be conducted consistent with the ordinary course of the Bonia Group's business, are undertaken on an arm's length basis at the prevailing prices or market rates and are based on usual and fair commercial terms not more favorable to the Related Parties than those generally available to the public, or otherwise in accordance with the applicable industry norms. Where there is no market value for a particular transaction, the transaction will be on a willing buyer willing seller basis or the nearest equivalent. These transactions are also not prejudicial to the interest of the shareholders of the Company and not detrimental to its minority shareholders.
- (3) Where applicable, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparisons, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event the quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/ service is a proprietary item), the transaction price will be determined by those offered to/by other unrelated third parties for substantially similar type of transactions and approved by the Board, upon recommendation of the ARC, to ensure that the RRPT are not detrimental to the minority shareholders of the Company.

- (4) The Company will maintain proper records to capture and update all RRPT by the respective business units and the summary thereof will be disclosed in the relevant annual report.
- (5) The internal auditors of the Company shall carry out periodic review as part of its audit programme to ascertain that the RRPT transacted complied with the relevant approvals, guidelines and procedures;
- (6) where a member of the Board has an interest (direct or indirect) in the related party transactions, he shall declare his interest in the transaction and abstain from participating and deliberating in decisions of the Board or ARC (as the case may be) on the said transaction. This also applies to the Board member who is connected to the interested Directors (if any); and
- (7) The Board and the ARC shall have the overall responsibility for the determination of the adequacy and appropriateness of the review procedures, including addition of new review procedures, as and when necessary. They may also appoint individuals or committees within the Company to examine the RRPT as they deem appropriate.

7. STATEMENT BY ARC

The ARC was assigned with the responsibility to determine whether the methods and procedures for reviewing transactions that involve Related Parties are adequate and appropriate to ensure compliance with the relevant requirements.

The ARC has seen and reviewed the methods and procedures mentioned in Section 6 above and they are satisfied that the said methods and procedures for the RRPT as well as the frequency of review to be made by the ARC in relation thereto, are adequate and appropriate to ensure that the RRPT are conducted on arm's length basis, under normal commercial terms consistent with the Group's business practices, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The ARC is also of the view that the Company has in place adequate and appropriate methods and procedures to monitor, track and identify RRPT of the Group in a timely and orderly manner. The method and procedures are reviewed yearly based on recommendations from the internal auditors or management of the Company or whenever the need arises.

8. EFFECTS OF THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate will not have any effect on the issued and paid-up share capital and shareholding structure of the Company. It is also not expected to have any material effect on the gearing, net assets and earnings of the Group.

9. CONDITIONS TO THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate is subject to the approval of the shareholders of the Company at the forthcoming 24th AGM.

10. DIRECTORS' RECOMMENDATION

The Board (with the exception of the interested and connected Directors who are deemed to be interested in the Proposed RRPT Mandate for the reasons stated in Sections 3.2 and 4 above and who have abstained and will continue to abstain from expressing any opinion in relation to the Proposed RRPT Mandate), having considered all aspects of the Proposed RRPT Mandate, is of the opinion that the Proposed RRPT Mandate is in the best interest of the Bonia Group and its shareholders, and is not detrimental to the minority shareholders of Bonia.

Accordingly, the Directors (with the exception of the interested and connected Directors) recommend that you vote in favour of the resolution pertaining to the Proposed RRPT Mandate to be tabled at the forthcoming 24th AGM to give effect to the proposal.

11. 24th AGM

The 24th AGM of the Company will be held at Perdana Ballroom (First Floor), Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Wednesday, 25 November 2015 at 11.00 a.m. and any adjournment thereof for the purpose of, inter alia, considering and, if thought fit, approving the resolution pertaining to the Proposed RRPT Mandate as set out in the Notice of 24th AGM. An extract of the said resolution is enclosed as Appendix II of this Circular.

12. FURTHER INFORMATION

Shareholders of the Company are advised to refer to the appendices for further information.

Yours truly
For and on behalf of the Board of
BONIA CORPORATION BERHAD

DATUK NG PENG HONG @ NG PENG HAY
Senior Independent Non-Executive Director

APPENDICES I & II

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Bonia and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, Bonia and/or its subsidiaries have not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:-

- (1) Sales and Purchase Agreement dated 19 April 2013 entered into between CRI Sdn Bhd and YP Cheah Enterprise (M) Sdn Bhd to purchase a leasehold property held under PN (WP) 10175, Lot 31574, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring in area of approximately 906 square metres together with a building erected thereon with postal address No.2A, Jalan Orkid Desa, Desa Tun Razak, 56000 Kuala Lumpur for a total consideration of RM4,300,000.00.
- (2) Sales and Purchase Agreement dated 29 October 2013 entered into between Maha Asia Capital Sdn Bhd and Megah Mahajaya Sdn Bhd to purchase a freehold property held under Geran 27239 Lot No. 457 Seksyen 67 Bandar and Daerah Kuala Lumpur together with a single storey detached bungalow house erected thereon for a total consideration of RM19,989,200.00.
- (3) Sales and Purchase Agreement dated 25 October 2013 entered into between Luxury Parade Sdn Bhd and Dato' Tai Boon Tatt to purchase a freehold property known as Level 2, Asmah Tower, measuring approximately 7,135 square feet held under Geran 61156 Lot No.39890, Mukim Petaling, Daerah Kuala Lumpur for a total consideration of RM1,750,000.00.
- (4) Sales and Purchase Agreement dated 21 November 2014 entered into between Luxury Parade Sdn Bhd and Platinum Starhill Sdn Bhd to purchase 231 units of freehold Parking Bay of property known as Block A & B, Jalan Cheras Zen 1A, Platinum Cheras, 43200 Cheras, Selangor held under HS (D) 131905, PT No.49975, Mukim Cheras, Daerah Ulu Langat, State of Selangor Darul Ehsan for a total consideration of RM3,511,200.00.
- (5) Sales and Purchase Agreement dated 28 November 2014 entered into between CRG Incorporated Sdn Bhd and Platinum Starhill Sdn Bhd to purchase 92 units of freehold Parking Bay of property known as Block C, Jalan Cheras Zen 1A, Platinum Cheras, 43200 Cheras, Selangor held under HS (D) 131905, PT No.49975, Mukim Cheras, Daerah Ulu Langat, State of Selangor Darul Ehsan for a total consideration of RM1,398,400.00.
- (6) Sales and Purchase Agreement dated 25 August 2015 entered into between P.T. Cengkareng Business Centre and P.T. Banyan Cemerlang to purchase a leasehold property known as Komplek Cengkareng Business City, Boutique Office Lot 5 No.3, Jl.Atang Sanjaya No.21, Rt:004 Rw:006, Kelurahan Benda, Kecamatan Benda, Kotamadya Tangerang, Banten15125 for a total consideration of IDR13,200,000,000.00.

- (7) Sales and Purchase Agreement dated 25 August 2015 entered into between P.T. Cengkareng Business Centre and P.T. Banyan Cemerlang to purchase a leasehold property known as Komplek Cengkareng Business City, Boutique Office Lot 5 No.5, Jl.Atang Sanjaya No.21, Rt:004 Rw:006, Kelurahan Benda, Kecamatan Benda, Kotamadya Tangerang, Banten15125 for a total consideration of IDR13,200,000,000.00.

3. MATERIAL LITIGATION, CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENTS

Save as disclosed below, as at the LDP, neither Bonia or its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board is not aware of any proceedings pending or threatened against the Company and/or its subsidiaries or any facts likely to give rise to any proceedings which may materially and adversely affect the position and/or business of the Company and/or its subsidiaries:-

(1) Material Litigation

Apex Marble Sdn Bhd and Mcore Sdn Bhd (collectively as "Plaintiff") vs Leong Tat Yan ("Defendant")

The subsidiaries of Bonia, Apex Marble Sdn Bhd and Mcore Sdn Bhd filed a civil suit against Leong Tat Yan for breach of contract, tort and fiduciary duties. On 27 March 2013, the High Court:-

- (a) Set aside service of the writ and statement of claim on the Defendant, on the basis that there was insufficient evidence that the Defendant was evading service;
- (b) Dismissed the Defendant's application to strike out the suit on the basis that the High Court had no jurisdiction;
- (c) Dismissed the Defendant's application to stay the suit on the basis that the High Court in Malaysia is not the appropriate forum.



Both the Plaintiff and Defendant have appealed against the decision of the High Court to the Court of Appeal. On 8 July 2013, the Court of Appeal allowed the Defendant's appeal with costs and the Plaintiff's appeal was struck out with no order as to cost.

The Plaintiff had filed an application for leave to appeal to the Federal Court. The appeal is now fixed for hearing on 9 November 2015.

(2) Material Trademark dispute

Litigation in the People's Republic of China against "Bull Device and AUCHAMO" trademark application owned by Wise Luck International Ltd.

The Company's 70%-owned subsidiary and brand representative of the Braun Büffel brand in the Asia Pacific region, Jeco Pte Ltd ("Jeco"), has been engaged in court proceedings in the People's Republic of China ("PRC") for matter pertaining to PRC

 Trademark No. 1992120 for "  " ("Bull Device Mark"). The Bull Device Mark is owned by Wise Luck International Ltd T/A Dat Sun Trading Co ("Wise Luck"). The litigation arose out of trademark cancellation proceedings which commenced in 2008 when Jeco lodged a cancellation action against the registration of the Bull Device Mark with the Trademark Review and Adjudication Board (China) ("TRAB").

After the TRAB decision was issued (in Jeco's favour) in 2010, Wise Luck filed an appeal to the Beijing 1st Intermediate Court and succeeded in the appeal. The appeal outcome was upheld by the Beijing Higher Court in 2012.

Jeco has applied for re-trial of the matter and the proceedings are currently pending in the PRC Supreme Court.

No damages will have to be paid by either party to the other regardless of the outcome of the re-trial at the PRC Supreme Court. To date, Jeco has expended SGD187,000 in legal costs in relation to the litigation, and has further budgeted another SGD575,000 for the financial year as legal costs to be incurred for the re-trial.

(3) Other material potential dispute

Active World Pte Ltd ("Active World") vs Orchard Central Pte Ltd ("Orchard Central")

Active World Pte. Ltd. ("Active World"), a wholly owned subsidiary of the Company, received a letter dated 14 April 2014 from lawyers acting for Orchard Central Pte. Ltd. ("Orchard Central"), alleging that Active World had breached the terms and conditions of lease agreements dated 3 March 2008 and 9 April 2009 entered into between Orchard Central and Active World in respect of 2 shop units located at Orchard Central, 181 Orchard Road, Singapore 238896 (collectively "Lease Agreements"). Orchard Central had in the same letter, claimed for Active World a sum of SGD964,700, together with accrued late payment interest, arising from Active World's failure/refusal to (i) take possession of the premises at the commencement date of the Lease Agreements and (ii) make payment of the rentals and other charges due and owing under Lease Agreements.

The claim by Orchard Central has been settled for the total sum of SGD165,659 as agreed between Active World and Orchard Central.

4. DOCUMENTS FOR INSPECTION

The following documents (or copies thereof) are available for inspection at the Registered Office of the Company at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Monday to Friday (except for public holidays) from the date of this Circular up to and including the date of the 24th AGM:-

- (1) Memorandum and Articles of Association of Bonia;
- (2) Audited Financial Statements of the Company for the past 2 financial years ended 30 June 2014 and 30 June 2015;
- (3) The material contracts mentioned in the Section 2 above; and
- (4) The relevant cause papers in respect of the material litigations mentioned in the Section 3 above.

EXTRACT OF RESOLUTIONS

to be tabled at the forthcoming 24th AGM of the Company:-

ORDINARY RESOLUTION 9

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO ENABLE BONIA CORPORATION BERHAD TO PURCHASE UP TO 10% OF ITS ISSUED AND PAID-UP SHARE CAPITAL ("Proposed Share Buy-Back")

"THAT subject to all the applicable laws and regulations, the Directors be and are hereby authorised to purchase the ordinary shares of the Company of RM0.25 each through the stock exchange of Bursa Malaysia Securities Berhad at any time upon such terms and conditions as the Directors in their absolute discretion deem fit provided that the aggregate number of shares purchased (which are to be treated as treasury shares) does not exceed 10% of the issued and paid-up share capital of the Company; and the funds allocated for the purchase of shares shall not exceed its retained profits and/or share premium account for the time being.

THAT the Directors be and are hereby further authorised to deal with the treasury shares in their absolute discretion (which may be distributed as dividends, resold and/or cancelled).

THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed Share Buy-Back was passed at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

AND THAT the Directors and/or any of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) to give effect to the aforesaid share buy-back in the best interest of the Company."

ORDINARY RESOLUTION 10

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed RRPT Mandate")

"THAT subject to all the applicable laws and regulations, approval be and is hereby given for the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Part B of the Company's Circular to Shareholders dated 29 October 2015, provided that such transactions are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until the conclusion of the next annual general meeting of the Company following the general meeting at which the Proposed RRPT Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965; or the revocation or variation by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."